

intended to place the application in better form for consideration on appeal. For convenience, a copy of the currently pending claims is provided in an Appendix.

A *prima facie* case under 35 U.S.C. §103(a) requires, *inter alia*, (1) that the cited references teach all of the claim limitations; and (2) that there be some suggestion or motivation to combine the reference teachings. MPEP 2142. The rejections are deficient in both these respects.

First, none of the cited three references discloses the limitation of redeeming a balance of a sub-account associated with a card in the form of a negotiable instrument payable to a holder of the sub-account. This limitation is recited in somewhat different forms in each of the independent claims, i.e. in Claims 1 and 10. The lack of disclosure of this limitation was noted in response to the first Office Action with respect to Chaum and Dorf, which are respectively directed to a system that uses "smart" cards in credit or debit transactions (*e.g.*, Chaum, Col. 5, ll. 10 – 47) and to a multipurpose card system (*e.g.*, Dorf, abstract). The current Office Action now cites Kenna for this limitation (Office Action, p. 3), but Applicants disagree that the limitation is disclosed.

Kenna is directed to a financial system that manages a plurality of subaccounts, at least one of which is a medical savings account (Kenna, Col. 3, ll. 53 – 56). In referring to Kenna, the Office Action points to a number of figures and the following passages, notably none of which disclose redeeming a balance of a sub-account associated with a card in the form of a negotiable instrument payable to a holder of the sub-account:

> First, briefly, the multiple subaccount section of the present invention is directed to a data processing system for managing a plurality of composite accounts for financial cash management, wherein each composite account has a master account and at least one subaccount that allows an individual to establish and manage their (and the household's) complete portfolio of cash assets with one concise, cost effective account. For an individual, this system, described more fully below, has a single master account, with a variety of subaccounts directed to a specific goal such as monthly household expenses, long term investment strategies and other financial goals. The database management system has a central processing unit ("CPU") for information such as name, address and account information for each individual, with a data processing system, known as the

> Link System to recognize that an account (either a master account or a subaccount) is part of the composite account for the individual, a data processing means for receiving an individual's request on either a real time or periodic basis for the transfer of funds between the linked accounts and means for generating, displaying and outputting reports. (Kenna, Col. 4, l. 63 – Col. 5, l. 18).
>
> The above-described composite account arrangement has thus been shown to provide an improved securities brokerage/cash management system which supervises and integrates a brokerage account in which a Master Account with one or more linked subaccounts is used to manage an individuals [*sic*] funds which accounts (master and subaccounts) can transfer funds to and from, providing greater flexibility for the individual, while providing earned income for funds not invested or required to satisfy expenditures. (*Id.*, Col. 8, ll. 35 – 43).

Indeed, these cited excerpts merely describe a sub-account structure used by Kenna and the ability to transfer funds within that subaccount structure. They disclose neither the association of the sub-accounts with cards nor the redemption of balances within the sub-accounts in the form of negotiable instruments.

The Office Action appears to concede that there is no explicit disclosure of this limitation in Kenna with its remark that the subaccounts taught by Kenna "may" deliver negotiable instruments:

> Kenna teaches an integrated nested account financial system with subaccounts including those for investments which may deliver negotiable instruments (retirement accounts, financial accounts) to the subaccount holder …
> (Office Action, p. 3).

If the Office Action is relying on inherency for this limitation, such reliance is respectfully traversed. Inherency requires not merely that a certain result or characteristic "may" occur or be present in the prior art, but instead that it must "necessarily be present in the thing described in the reference." MPEP 2112, *citing In re Robertson*, 49 USPQ2d 1949, 1950–51 (Fed. Cir. 1999). There is nothing in Kenna to indicate that a balance of its subaccounts must be redeemed in the form of a negotiable instrument payable to a holder of the sub-account. Since this limitation is not disclosed explicitly or inherently, no *prima facie* case has been established.

Second, there is no suggestion or motivation to combine the reference teachings. Such a suggestion or motivation must be found "either in the references themselves or in the knowledge generally available to one of ordinary skill in the art." MPEP 2142. The Office Action cites the following language as providing a motivation to combine Chaum and Dorf with Kenna (Office Action, pp. 3 – 4):

> It is an object of the present invention to provide an improved brokerage/cash management system. It is another object of the present invention to enable individuals to easily and cost effectively manage their assets and have a concise, clear understanding of the value of their assets. It is a further object of the present invention to enable an individual to delineate short and long term assets into a composite account with a single master account and a number of subaccounts which are linked with the composite account. It is another feature of the present invention to allow individuals in the same household or family to create a single composite account for all their funds.
> (Kenna, Col. 3, ll. 31 – 42).

The Office Action's reliance on this passage as providing a motivation to combine the teachings of Kenna with those of Chaum and Dorf is completely misplaced. In fact, while Chaum and Dorf are both concerned with card systems, the cited passage emphasizes that Kenna has nothing to do with such systems — it is instead concerned with providing a household cash-management system. Rather than show a motivation to combine, the cited passage does precisely the opposite by emphasizing objectives that are completely different from those of Chaum and Dorf.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is urged. If the Examiner believes a telephone conference would aid in the prosecution of this case in any way, please call the undersigned at 303-571-4000.

PATENT

Respectfully submitted,

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